

## Message Text

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PAGE 01 STATE 117540  
ORIGIN ARA-10

INFO OCT-01 SS-14 ISO-00 SSO-00 CIAE-00 DODE-00 NSAE-00  
NSCE-00 TRSE-00 OMB-01 INR-05 L-01 EB-04 INRE-00  
SP-02 /038 R

DRAFTED BY ARA/AND:HSHLAUDEMAN  
APPROVED BY ARA/AND:CFULLER  
-----051088 091448Z /75

O 091435Z MAY 78  
FM SECSTATE WASHDC  
TO AMEMBASSY LIMA IMMEDIATE

C O N F I D E N T I A L STATE 117540

LIMDIS FOR PREEG FROM SHLAUDEMAN

E.O. 11652: GDS

TAGS: EFIN, PE

SUBJECT: ECONOMIC MEASURES

1. THE FOREIGN MINISTER HAS APPARENTLY OBTAINED A CHANGE IN THE GOP'S TIMETABLE BY WAY OF RESPONSE TO THE IMF'S UNDERSTANDABLE SKEPTICISM ABOUT PROMISES FOR FUTURE ACTION. WE ARE NOW TOLD THAT "90 " OF THE PACKAGE WILL BE PUT INTO EFFECT IMMEDIATELY. THAT IS TO INCLUDE THE NEW TAXES AND A FIRST MOVEMENT IN THE EXCHANGE RATE (TO 140), BUT NOT THE INCREASE IN THE PRICE OF GASOLINE.

2. THE PERUVIANS WORKED OUT YESTERDAY WITH THE FUND AN ORAL STATEMENT THE LATTER WILL PROVIDE INQUIRING BANKS. IT CONFIRMS THAT THE GOP HAS TAKEN SOME CORRECTIVE MEASURES LOOKING TOWARD A RENEGOTIATED STAND BY. ALTHOUGH THE STATEMENT IS MOST CAUTIOUS AND WOULD NOT APPEAR TO OFFER THAT MUCH ENCOURAGEMENT, THE PERUVIANS  
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CONTINUE TO EXPRESS OPTIMISM THAT THE BANKS WILL PROVIDE EARLY BRIDGE FINANCING. ACCORDING TO DE LA PUENTE, THE STATEMENT WAS SUFFICIENT TO OBTAIN FROM OCCIDENTAL PETROLEUM A \$25 MILLION ADVANCE AGAINST LOCAL CURRENCY EXPENSES IN THE DEVELOPMENT OF ITS PERUVIAN CONCESSIONS (THE FOREIGN MINISTER DID NOT SAY WHAT EXCHANGE RATE WOULD APPLY).

3. WE GATHER THAT THE PERUVIANS ARE STILL SOME WAY FROM  
PERSUADING THE FUND THAT THEY HAVE A WORKABLE PACKAGE.  
THE EXCHANGE RATE HAS BEEN A PARTICULAR STICKING POINT.  
THE GOP HAS PROPOSED MOVING IT TO 140 AND THEN TO 150.  
THE FUND EVIDENTLY BELIEVES THAT 190 OR SO WOULD BE MORE  
REALISTIC. VANCE

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, ECONOMIC PROGRAMS  
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**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**Drafter:** HSHLAUDEMAM  
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**Executive Order:** GS  
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**Review Markings:**  
Sheryl P. Walter  
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